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Federal Communications Commession Office of Constant

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REPUBLIC OF THE PHILIPPINES DEPARTMENT OF TRANSPORTATION ND COMMUNICATIONS NATIONAL TELECOMMUNICATIC NS COMMISSION BIR Road, East Triengle, Dillman, Quezon City

January 31, 2003

RUSH

MEMORANDUM ORDER:

Philippine Long Distance Telephone Company (PLDT) and SMART Communications Inc. GLOBE Telecom Inc. **BAYAN Telecommunications Company**

The Federal Communications Commission (FCC) of the United States of America has brought to our attention that at least three (3) carriers referring to you that terminate international traffic in the Philippines are threatening to disrupt circuits of US carriers on the US-Philippines route beginning February 1, 2003. This is due to your decision to increase termination rates.

Disruption of service, especially at this volatile time is definitely prejudicial to public interest and national welfare.

In the interest of service, to avoid disruption to the communications networks, and to coarse that telecommunications circuits remain open between the Philippines and the United States of America and other countries, you are hereby DIRECTED TO MAINTAIN THE STATUS QUO OF THE EXISTING CIRCUITS AND TERMINATION RATES AS OF THIS DATE. You are, nonetheless, encouraged to continue to negotiate on the merits of your move to increase termination rates and conclude agreements mutually reached with no untoward repercussions to service and national welfare.

This Order shall apply to all Philippine telecommunication carriers similarly situated.

FOR COMPLIANCE.

Commissioner

THLÈRN G. HECETA mty Commissioner

JORGÉ V. SARMIENTO Deputy Commissioner

The Enductive Secretary, Malacatana The Secretary, Dept. of Transportation and Communications Ann: Undersonetary Virginio L. Peña

Telecommunication Operators of the Philippines